

Department of Personnel Administration
Memorandum

TO: Personnel Management Liaisons (PML)

SUBJECT: Furlough Program	REFERENCE NUMBER: 2009-007
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This memorandum should be forwarded to:

Personnel Officers
Personnel Transactions Supervisors

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The Furlough Program begins with the February 2009 pay period and goes through the June 2010 pay period. During that time, all State employees will have two unpaid days off each month.

This program is subject to change through court or legislative action and through bargaining.

Beginning February 2009, most State offices and general government operations will be closed on the first and third Fridays of each month. Those will be furlough days for employees of the offices and operations that are closed.

If your operation can't close, and has an **approved** self-directed furlough plan, several options will be managed by departments:

- **Where services must continue and employees normally must work on holidays:** Employees will be allowed to choose which two days they take off each month. Supervisors must approve the days chosen.
- **For posted positions in 24/7 facilities:** Management will work with employees to determine which two days in the month will be taken off. When this is not operationally feasible and would jeopardize security, health or safety, management will work with employees to select time off in the future. However, deferring furlough days for future use shall only be done after all other options have been evaluated and proven unworkable. All furlough days must be taken within two years following the end of the furlough program.

Decisions about which positions will use self-directed furloughs have been made at the agency level. You can access the listing of approved departments/functional areas for self-directed furlough at <http://www.dpa.ca.gov/personnel-policies/furloughs/requests-to-alter-furlough-method.pdf>.

With agency approval, a position may become eligible for a self-directed furlough due to an emergency. Similarly, a position must go from a self-directed furlough to the standard furlough schedule when workload permits.

Overtime

Departments must manage furlough days so you don't incur overtime pay or contract for services to cover for employees who are taking furlough days. Department budgets will be reduced for the two furlough days and will not be augmented for overtime pay to supplement behind the furlough.

Departments must manage employees who are exempt from FLSA (Workweek Group E) to avoid overtime pay. On weeks FLSA exempt employees have a furlough day, they lose their exempt status and become hourly employees.

Furlough days don't count as time worked for determining overtime in the workweek.

Who Does the Furlough Program Apply To?

The Furlough Program applies to all employees other than those exempted in [Executive Order S-16-08](#).

It applies to retired annuitants appointed pursuant to Government Code sections 21118 and 21228. Employees appointed under Government Code sections 21224, 21225 and 19144 shall not work on the furlough days and will not accrue furlough leave credits.

The Furlough Program does not apply to employees

- on a leave of absence without pay,
- on military leave, or
- that are seasonal with a CB/ID designation of E.

What's Not Affected?

The Furlough Program doesn't affect

- state service credit
- leave accruals
- medical benefits
- dental benefits
- lump sum payments
- retirement benefits

- military leave compensation or supplemental pay
- disability leave payments for employees receiving Temporary Disability, Industrial Disability Leave, Non-Industrial Disability Leave, LC4800 time, SDI, or Involuntary Leave and supplemental payments. However, when an employee returns to partial work, the hours they work will be affected.

We will adjust salaries to reflect two non-work days. The adjustment applies only to the employee's base salary. The adjustment doesn't affect

- hiring above minimum adjustments
- red circle rate adjustments
- flat dollar or percentage-based pay differentials
- overtime rates or holiday pay – these are based on the unadjusted base salary

Furlough Hours

Each employee is assigned a certain number of furlough hours. Except for intermittent employees, these hours are assigned at the beginning of each pay period. Furlough hours for intermittent employees are assigned when their pay is requested.

To record hours for a furlough day on a timesheet use the abbreviation FH for furlough hours used.

Furlough hours have no cash value and may not be cashed out. Employees get no money for furlough hours leftover when they separate.

You must allow employees to use their furlough hours before they separate.

Employees can't donate furlough hours or transfer furlough hours to other types of leave credit.

For most employees, furlough hours must be used during the pay period. Employees allowed to accumulate furlough hours because of operational needs (for example, because they work posts in 24/7 facilities) must use their furlough hours within two years after the Furlough Program ends.

Full-time employees will be furloughed the equivalent of two days per month, a total of 34 days over the next 17 months.

Intermittent employees will be furloughed based on how many hours they work in a month as shown below.

Intermittent Employees	
Hours Worked	FH Per Pay Period
11 to 30.9	2
31 to 50.9	4
51 to 70.9	6
71 to 90.9	8
91 to 110.9	10
111 to 130.9	12
131 to 150.9	14
151 or more	16

Part-time employees will be furloughed a number of hours according to their time base as shown below.

Part-Time Employees	
Time Base	FH Per Pay Period
1/10	2
1/8	2
1/5	4
1/4	4
3/10	6
3/8	6
2/5	8
1/2	8
3/5	10
5/8	10
7/10	12
3/4	12
4/5	14
7/8	14
9/10	16

Intermittent or part-time employees can't work more hours to make up for the furlough hours.

No employee should ever be furloughed more than 16 hours per monthly pay period. If an employee holds two positions, the primary employer may need to adjust the employee's furlough hours to ensure they don't exceed 16 hours per monthly pay period.

The State Controller's Office will be issuing a Payroll letter that will address how to document an employee's pay and process the appointments/separations when an employee works a partial month.

Other Issues

- **Voluntary Personal Leave Program:** Employees in the VPLP can cancel participation in that program, even if they haven't met the 12 month minimum.

- **Alternate Work Schedules:** DPA provides [sample calendars for Alternate Work Schedules](#) on our website, but you're not required to use them as is. You can adjust the calendars to meet departmental and employee needs, but you must ensure the workweeks comply with FLSA.

/s/ Debbie Endsley
Chief Deputy Director